

**FISCAL NOTE**  
**SB 125 - HB 413**

March 10, 2003

**SUMMARY OF BILL:**

- Requires the fiscal note for general bills that establish a program, service, or system requiring a multi-year phase-in for full implementation to indicate:
  1. that the bill would be phased in over a period of years.
  2. the period of years required for full implementation.
  3. the funding required for the first year of the phase-in period.
  4. whether, in future years, funds would be required in excess of the funds needed to implement the first year of the phase-in.
  5. the cost per year of implementation from the first year through the final year of phase-in.
- Requires that funds be appropriated from recurring revenues for the first year of phase-in at the highest estimated annual cost, as shown in the fiscal note, for any law that establishes a program, service, or system requiring a multi-year phase-in period before full implementation.
- Provides that estimates for appropriations from recurring revenues could be adjusted for fiscal years subsequent to the first year of phase-in of such program, service, or system. If no adjustment were made, the amount of appropriations previously made would be repeated. Such appropriations would be placed in a reserve to be used only for costs of phasing in the program, service, or system. Any revenues deposited in this reserve would remain available for expenditures until full implementation of the program, service, or system. Any revenues remaining in the reserve after full implementation for the program, service, or system would revert to the state general fund.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact- To the extent that funding must be provided at the highest estimated annual cost for a multi-year phase-in bill, an increase in state expenditures exceeding \$100,000 is estimated to occur for those bills which are passed by the legislature. To the extent this bill prevents bills from being enacted, which would have been enacted in the absence of this bill, a cost avoidance in state dollars exceeding \$100,000 is estimated to occur.**

Currently, funding for most bills (excluding incarceration bills) require only that first year costs be provided in the appropriations bill to implement the provisions of a bill. The requirement that funds be appropriated from recurring revenues for the first year of phase-in at the highest estimated annual cost is estimated to impact a few bills each year and result in an increase in the amount of state expenditures which must be appropriated. In addition, the appropriation of state dollars required to be provided for the highest annual cost of multi-year phase-in bills could save the state from providing such funding if the passage of such bills becomes more difficult than is the case under current law.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director